Appointment of Non-Official Directors in Banks

*309 DR. BAPU KALDATE: Will the Minister of FINANCE be pleased to state:

(a) whether Government have deferred the appointment of non-official Directors on the Boards of nationalised banks;

(b) if so, what are the reasons therefor; and

(c) what are the names of the nationalised banks where such vacancies exist?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARY): (a) to (c) Some vacancies of non-official Directors exist in the Boards of Directors of all the 20 nationalised banks. The process of selecting suitable persons for nomination against these vacancies is under way.

डा० बापू कालदाते : सभापति महोदय, बहुत दिनों से यह प्रक्रिया चल रही है। जहां तक हम जानते हैं, कई महीने हो चुके हैं, लेकिन आप लोगों ने नान-आफीशियल डायरेक्टर्स की नियुक्ति नहीं की है। सवाल के भाग (बी) में हमने यह पूछा था --

"If so, what are the reasons therefor?"

इसमें आपने कोई रीजन नहीं बताया। आपने कहा है कि चयन की प्रक्रिया चल रही है। मैं जानना चाहता हूं कि देर लगने का कारण क्या है?

SHRI JANARDHAN POOJARI: Sir, steps are being taken to process the names for non-official directorship. Here we have to see the integrity of the people who are going to be appointed, we have to give representation to various interests. It is true that time is taken and we can say that for a little time it is delayed but the processing of these names will be done as early as possible. I can assure the hon. Member that swift action will be taken.

1493 Rs—2

MR. CHAIRMAN: Second supplementary.

डा० बापू कालदाते : : यह चयन की जो प्रक्रिया है इसमें देर लगने का कारण क्या यह नहीं है कि आपके आपस में मतभेद हैं कि पोलिटिकली किसको कहां रखना है और इसका कोई फैसला नहीं हो पाया है, ऐसा हम लोगों को शक हो रहा है।

एक माननीय सदस्य : यह गलत है।

डा० बापू कालदाते : हमारा शक सही है ऐसा हमने कहां कहा है, यह हमारा शक है। that you are not able to adjust people to be directors for different banks and therefore you are getting delayed. Could you tell me the exact time or the period in which you will appoint all the non-official directors of the Boards?

SHRI JANARDHAN POOJARI: If at all we have to take into consideration the aspect that has been mentioned by the hon. Member I tell you we would have done it in no time. We wanted to give proper representation... (*Interruptions*) ... to various interests as prescribed by the statute. So that is why as I have stated we have to thoroughly examine the antecedents of these non-official directors whom we are going to appoint. So precautions are also being taken. We are seeing the antecedents of all these pepole. And you know that here in this House as well as outside complaints have been made that there is no proper functioning and their antecedents are also doubted. In order to have all safeguards we are taking a little time and as I have stated earlier, the processing work will be done and appointments will be made as early as possible.

SHRI B. SATYANARAYAN REDDY: Mr. Chairman, Sir, while replying to the question the Minister

has said that he has to take into consideration the antecedent of people for appointment as Directors and all those things. I would like to know from the Minister whether any non-official Directors on the Advisory Board of the State Bank of India has been appointed, whose background is very suspicious and against whom corruption and other charges have been levelled. In this connection I would like to know whether any person by name...

MR. CHAIRMAN: No, no names.

SHRI B. SATYANARAYAN REDDY: All right. I want to know whether any such person has been appointed in the southern region. There are reports.

SHRI JANARDHAN POOJARI: Sir, if there are any complaints from any source those complaints are inquired into and wherever action is required we take action also.

SHRI PARVATHANENI UPENDRA: He is continuing. What action was taken?

SHRI VITHALBHAI MOTIRAM PATEL: Sir may I know from the Minister whether any criterion has been framed for the appointment of non-official Directors and, if so, what is the criterion?

SHRI JANARDHAN POOJARI: Sir, we have to give representation to the interests of the workers, representation to the interests of the farmers representation to the interests of artisans and also representation to the interests of the depositors. Here also the criterion is that they should be persons of integrity and they should not have any disqualification for appointment. If any criminal case is pending against them, they are not qualified for becoming non-official Directors. People who have crossed the age of 65 years are also normally excluded from consideration for non-official Directors.

SHRI RAOOF VALIULLAH: Sir, to my starred question on the same subject last week that is, on 3rd December, the Minister had given an answer that all the posts of non-official Directors in all the national banks are lying vacant since 1st January 1985. Now nearly one year has lapsed. I want to know precisely whether in all the Board meetings the quorum is maintained. Secondly in appointing non-official particularmes and 40 per cent compulsory credit to be given by the nationalised banks in the priority sector, will the Government immediately decide on appointing non-officials particularly from the weaker sections, Harijans tribals and minorities? Thirdly the non-officials in the banks have been playing a very important role as far as the loans given to private undertakings and all that are concerned. Will this be kept in view and appointments made very soon?

SHRI JANARDHAN POOJARI: Sir the quorum that is required is, there should be at least three Directors. It is maintained and normal transaction is not at all affected. So far as representation to be given to the Scheduled Castes, Scheduled Tribes and minorities in concerned it is our endeavour to give them adequate representation. Most of the previous bank boards had a representative of the Scheduled Castes and Scheduled Tribes. Representation was also given to the minorities. So far as loans given to the weaker sections are concerned, Government is also monitoring so far the advances given to the weaker sections are concerned. The latest figure is, we have been able to give Rs. 4,195 crores to the weaker sections. Sir, while appointing Directors the suggesion that has been made by the honourable Member is kept in view

and that is why a little time is being taken.

PROF. C. LAKSHMANNA: Mr. Chairman, Sir while giving reasons for the delay in the appointment the Minister has stated that he is looking for people of integrity. I fully share his sentiment that people of integrity should be appointed as Directors; there is no doubt about it. I would like to ask the Minister. Was he not aware that so many posts would fall vacant by 1st January 1985? Is it always necessary that the search for men of integrity should start only after the vacancy occurs? Was there any restriction on the part of the Government that they should not initiate the process of appointing people well in advance? Therefore, I would like to ask the Minister what prevented the Government to search for men of integrity much before the vacancies occurred so that the functioning of the banks for which non-official Directors are essential was not affected.

SHRI PARVATHANENI UPENDRA: Pulls and pressures!

SHRI JANARDHAN POOJARI: Sir, the normal functioning of the banks is not at all affected. The suggestions have been made earlier also.

(Interruptions)

SHRI RAOOF VALIULLAH: Only three Directors are there.

MR. CHAIRMAN: Question Hour is over.

WRITTEN ANSWERS TO QUESTIONS

Withdrawal of excise duty of Jute goods

*304 SHRI GURUDAS DAS GUPTA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Indian Jute Manufacturers Association has pleaded for the withdrawal of excise duty on jute goods which accounts for about 10 percent of the present price of jute goods; and

(b) if so, what is Government's decision thereon?

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH): (a) Government had received representation from the Indian Jute Mills Association requesting for abolition of excise duty of Rs. 660 per tonne on jute goods.

(b) These representations have been examined by the Government. Having regard to various factors like revenue implication, relatively lower incidence of duty of jute goods and price of raw jute Government have not agreed to the proposals for removal of excise duty on jute goods.

Central Excise and Customs Duties blocked in litigation

*310. SHRI DHULESHWAR MEENA: Will the Minister of FINANCE be pleased to state:

(a) what is the total amount of Central excise and customs duties blocked in litigation at present;

(b) what are the names of the companies against which outstanding claims exceed rupees one crore; and

(c) what effective steps are being taken to realise the amount?

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH): (a) and (b) Many of the cases relating to customs and central excise matters have a bearing on rate of duty, valuation and in some central excise cases, the excisability of the product. Therefore, precise quantification of revenue involved in individual cases is possible only after the court decisions are available.

(c) Every effort is being made through legal counsels appointed by Law Ministry for obtaining expeditious vacation of stays and for getting